

MINUTES OF MEETING OF THE CORPORATIONS COMMITTEE
January 5, 2007

A regular meeting of the Corporations Committee (the "Committee") of the Business Law Section of the State Bar of California was held at the offices of Manatt, Phelps & Phillips, LLP (Los Angeles) and Covington & Burling LLP (San Francisco) on January 5, 2007. Attendance was as follows:

MEMBERS PRESENT:

W. Derrick Britt
Nelson Crandall
Christopher Delfino
Bruce Deming
Samuel C. Dibble
Michael J. Froch
Steve Harmon
Peter Heinecke
Brian Lebrecht*
Barbara Mathews
William R. Sawyers
Lemoine Skinner, III
Rose Sorensen
Jennifer Sostrin
Peter Wardle
Suzanne Weakley
Russ Wood

MEMBERS ABSENT:

Edward A. Deibert
Matthew Gemello
Nina Hong
Sharon R. Flanagan
Mike Occhiolini
Deborah J. Rousch
Steven Stokdyk
James J. Thompson

LIAISONS AND GUESTS PRESENT:

Rosalind Tyson – Securities and Exchange Commission
Larry Doyle – Office of Governmental Affairs
Steve Hazen – Executive Committee

*Via Telephone

The minutes summarize discussion primarily in the order items were listed on the Agenda for the meeting previously circulated to members of the Committee, which is not necessarily the order in which the items were actually taken up at the meeting. The Committee did not take up those topics listed on the Agenda that are not described in these minutes.

I. Administrative Matters

1. Opening Remarks: The meeting was called to order by Co-Chair Deming at 9:30. All members, liaisons and guests introduced themselves. The members agreed to keep April 6 meeting date.

2. Approval of Minutes: Minutes of December meeting approved, subject to minor comments.

II. Agency and Liaisons' Reports

1. Securities and Exchange Commission: Ms. Tyson reported that the Advisors Act allows advisors to not register with the SEC provided certain requirements are met. She indicated that the August Goldstein decision has resulted in 250 hedge fund advisors deregistering since June 2006. New rule proposed by the SEC on December 27, 2006 under Section 206 that would specifically prohibit advisors from making misleading statements or engage in fraudulent activities against prospective or existing investors or clients. Proposed rule under comment submission period until January 9. Release is available on the SEC website.

2. NASD: No report.

3. Department of Corporations: No report.

4. Secretary of State: No report.

5. Office of Governmental Affairs: Mr. Doyle reported that there are no matters introduced thus far that would be of interest to the Committee. He also indicated that there is no expectation that the Grafton legislation will go anywhere this year.

6. BLS Committee liaison reports:

A. ADR: Mr. Lebrecht reported on the December 12 meeting of the ADR Committee. He indicated that the ADR Committee is currently deciding how to distribute the Publication of Business Lawyers Guide to ADR.

B. Corporate Law Departments: Ms. Mathews reported that there is nothing new to report. The CLD Committee did not meet.

C. Cyberspace Law: No report.

D. Financial Institutions: No report.

E. Non-Profit Corporations: Mr. Sawyers reported that there is nothing new to report. The Non-Profit Committee did not meet.

F. Partnerships and LLCs: No report.

G. UCC: No report.

H. Executive Committee: Mr. Hazen discussed the Committee's written opposition to Rule 502 of the Federal Rules of Evidence under consideration by

the Judicial Conference's Advisory Committee on Evidence Rules. He indicated that he will be at the upcoming hearing and speaking on the Executive Committee's behalf. His position is fully consistent with the Committee's position. Mr. Hazen also reported that he will be attending Susan Orloff's web conference demo of the new BLS Standing Committee website update form.

III. Subcommittee Reports

1. Legislation: Mr. Harmon reported concerning the below matters.
 - A. ALP re Corporate Disclosure Act: The Committee intends to have the bill introduced as is.
 - B. ALP re Close Corps: No report. Mr. Hazen indicated he needs legislative subcommittee to focus on the same.
 - C. Jury Trial/ Grafton: Previously addressed by Mr. Doyle.
 - D. New Legislation Update
 - E. Proposed Topics for New ALPs: Mr. Harmon discussed a possible ALP concerning spousal consent, and indicated that he will coordinate with the Family Law liaison to obtain further feedback. He also discussed another possible ALP concerning the two-step merger, and noted that a subcommittee consisting of Mr. Deming, Mr. Dibble and Mr. Stokdyk will meet soon in respect of advancing such proposal.
2. Communications/ Website: Ms. Sorensen discussed her e-bulletin regarding changes to tax clearance requirements. Mr. Dibble and Mr. Wood to cover next topic and preparation of e-bulletin. Mr. Harmon reported that there is no news yet in respect of relocation of the extranet. Currently, Fulbright is the host of the Committee's site. Mr. Harmon noted the upcoming webinar. He also requested feedback concerning the front page of the Committee's website.
3. Education: Mr. Wood discussed program requests and the upcoming January 31 deadline for program submissions. Ms. Weakley discussed recent corporate developments program. Other program topics solicited.
4. Litigation: No report.

IV. Ongoing Projects:

1. Comment letter on finders in securities transactions: Mr. Lebrecht reported that there are no substantial changes from last month. The Comment Letter will be posted on our website.

2. Comment letter on 25102(o) reform: Mr. Wood commended Mr. Occhiolini for pulling the comment letter together on short notice to submit to the Executive Committee.

3. Section 2115: Mr. Deming advised that there are no new developments.

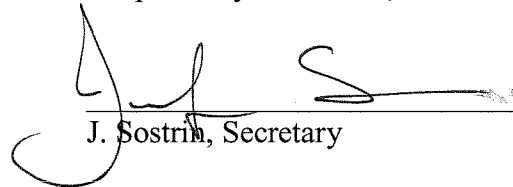
4. Privilege Issues: Ms. Mathews indicated that the meeting will take place on February 9 and will attend such meeting, together with Mr. Hazen and Mr. Froch. Ms. Mathews noted that the meeting will take place on February 8 and will attend such meeting, together with Mr. Hazen and Mr. Froch. A discussion ensued regarding the mechanics of Executive Committee authorization of Legislative committee approval.

5. Venture Capital Opinion Project:

6. Amendments re director voting:

V. New Business: None

Respectfully Submitted,



J. Sostrin, Secretary